

1 Larry W. Lee (SBN 228175)
Max W. Gavron (SBN 291697)
2 **DIVERSITY LAW GROUP, P.C.**
3 515 S. Figueroa Street, Suite 1250
Los Angeles, California 90071
4 Telephone: (213) 488-6555
Facsimile (213) 488-6554
5 lwlee@diversitylaw.com
mgavron@diversitylaw.com
6

7 Attorneys for Plaintiff
ANGELICA MACIAS, on behalf of herself and all similarly aggrieved employees
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9

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF MONTEREY**

12 CECILIA ZAMUDIO, on behalf of herself
and all similarly aggrieved employees,

13 Plaintiff,

14 v.

15 CYPRESS HEALTHCARE PARTNERS,
16 LLC; and DOES 1 through 50, inclusive,

17 Defendants.

Case No. 20CV003329
[Related Case No. 21CV000056]

**AMENDED DECLARATION OF MAX W.
GAVRON IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: March 10, 2023
Time: 8:30 a.m.
Dept.: 15

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19 ANGELICA MACIAS, on behalf of herself
and all similarly aggrieved employees,

20 Plaintiff,

21 v.

22
23 CYPRESS HEALTHCARE PARTNERS,
24 LLC; and DOES 1 through 50, inclusive,

25 Defendants.
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Complaint Filed: December 11, 2020
FAC Filed: February 23, 2021
Trial Date: Not Set

1 **DECLARATION OF MAX W. GAVRON**

2 I, Max W. Gavron, declare as follows:

3 1. I am an attorney at law, duly licensed to practice before all Courts in the State of
4 California, and am with the law firm Diversity Law Group, counsel of record for Plaintiff Angelica
5 Macias (“Macias”). I have personal knowledge of the facts set forth below and if called to testify I
6 could and would do so competently.

7 **PROCEDURAL HISTORY**

8 2. On January 8, 2021, Plaintiff Angelica Macias (“Macias”) submitted her written
9 notice to the LWDA, alleging violations of Labor Code §§ 201, 201.3, 202, 203, 204, 207, 208, 209,
10 216, 218, 218.5, 218.6, 223, 225.5, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198,
11 1199, 2800, and 2802, pursuant to the PAGA.

12 3. On January 7, 2021, Macias filed a complaint against Defendant in the Superior
13 Court of California, County of Monterey (the “Macias Action”). The Macias Action complaint
14 alleges claims for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure
15 to pay hourly and overtime wages; (4) failure to provide accurate wage statements; (5) failure to pay
16 all wages upon termination; (6) failure to timely pay wages; (7) failure to reimburse work-related
17 expenses; (8) penalties pursuant to PAGA; and (9) unfair business practices.

18 4. Plaintiffs’ class and PAGA claims as pled in their respective complaints are
19 predicated on the following allegations. Plaintiffs allege that Defendant failed to pay wages for all
20 hours worked. Specifically, Defendant required employees to keep their personal cell phones on
21 their person and respond to work calls and text messages while off-the-clock. Plaintiffs also allege
22 that Defendant failed to factor in non-discretionary incentive pay into the regular rate of pay for the
23 purposes of paying overtime. Whenever non-discretionary incentive wages and overtime wages
24 were paid during the same pay period, overtime pay was paid at the base rate of pay, rather than the
25 higher, regular rate of pay. Further, Plaintiffs allege that Defendant failed to provide off-duty meal
26 or rest periods to employees and failed to provide premium compensation in lieu of missed breaks.
27 Plaintiff also allege that employees were not reimbursed for work-related costs, such as the use of
28 personal cell phones and vehicles. Moreover, all wages owed were not paid within the time limits

1 specified by Labor Code § 204 and were not paid upon separation of employment. Due to the above
2 allegations, the wage statements issued to employees did not identify accurate information. As a
3 result of these alleged violations, Plaintiffs seek damages and penalties under the California Labor
4 Code, California Business & Professions Code, and the PAGA, as well as attorneys' fees and costs.

5 **MEDIATION**

6 5. After Plaintiffs initiated their respective actions, the Parties agreed to participate in a
7 global mediation. In connection with mediation, the Parties agreed to exchange informal discovery
8 sufficient to allow Plaintiffs to assess the claims and liability, as well as analyze the maximum
9 exposure of damages and penalties.

10 6. On April 20, 2022, the Parties engaged in a full-day mediation with mediator
11 Michael Masuda, Esq. While the Parties did not reach an agreement at the mediation, they
12 continued negotiations over the course of several months and reached an agreement with the
13 assistance of Mr. Masuda.

14 7. On October 21, 2022, the Parties submitted a stipulation to consolidate the Action
15 and the Macias Action for the purposes of settlement. The Court approved the Parties' stipulation
16 on November 2, 2022.

17 8. The Parties recognize the risk, expense, and delay in continuing litigation with the
18 class and PAGA claims, and believe the settlement to be fair, reasonable, and adequate.

19 9. Each side has apprised the other of their respective factual contentions, legal
20 theories, and defenses, resulting in negotiations taking place between the Parties.

21 10. From the inception of the case, Class Counsel have zealously represented the
22 interests of the Class. Class Counsel have engaged in significant meet and confer discussions with
23 opposing counsel to obtain informal data and documents and to discuss the merits of the claims on
24 behalf of the Class. The settlement was obtained for the benefit of the Class, as opposed to the
25 individual Class Representatives.

26 11. Further, Class Counsel have been approved as class counsel on a number of prior
27 cases, have litigated numerous other class action cases, and are competent to represent the class.

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SUMMARY OF THE MONETARY TERMS OF THE SETTLEMENT

12. The material terms of the settlement are memorialized in the Joint Stipulation of Class Action Settlement attached hereto as **Exhibit A** (“Settlement Agreement”). As defined by the Settlement Agreement, the proposed **Class consists of: all current and former non-exempt employees of Defendant who worked for Defendant in the State of California at any time from December 11, 2016, through May 31, 2022** (“Class” or “Class Member(s)”). *See* Agreement ¶ 4. The **Class Period** means the period from December 11, 2016, through May 31, 2022. *Id.* ¶ 8. Pursuant to the Agreement, Defendant has represented that there are approximately 1,337 individuals that comprise the Class. *Id.* ¶ 4.

13. With respect to PAGA, employees who comprise the **Aggrieved Employees include: all current and former non-exempt employees of Defendant who worked for Defendant in the State of California at any time from December 11, 2019, through May 31, 2022** (“Aggrieved Employees”). *See* Agreement ¶ 3. Pursuant to the Agreement, Defendant has represented that there are approximately 938 Aggrieved Employees.

14. The Settlement Agreement provides for One Million Six Hundred Thousand Dollars **(\$1,600,000.00)** as the **Gross Settlement Amount**. *See* Agreement ¶ 16. The Net Settlement Amount, calculated after deduction of **attorneys’ fees (up to \$533,333.33)**, **litigation costs (up to \$30,000.00)**, the enhancement payment to the **Class Representatives (up to \$20,000.00)**, the **PAGA Payment (\$100,000.00)**, and **Settlement Administration Costs (up to \$13,495.00)**, is estimated to be approximately **\$903,171.67**. *Id.* ¶¶ 6, 16, 10, 18, 21, 34.

15. Each Class Member who does not opt-out of the settlement (“Participating Class Member”) will be awarded a portion of the Net Settlement Amount on a **pro rata** basis, based upon the total number of workweeks each Class Member worked during the Class Period. *Id.* ¶ 47.

16. Additionally, as part of the PAGA Payment, 25% of the PAGA Payment, or \$25,000.00, will be distributed to Aggrieved Employees who worked during the **PAGA Period (December 11, 2019, through May 31, 2022)**, on a pro rata basis, based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period as compared to the total number of pay periods during the PAGA Period. Agreement ¶ 46.

1 17. As part of the Settlement Agreement, Defendant does not object to Class Counsel’s
2 request for attorneys’ fees of up to one-third of the Gross Settlement Amount, or up to \$533,333.33.
3 Agreement ¶ 43. Defendant also does not object to Class Counsel’s request for reimbursement of
4 actual litigation costs of up to \$30,000.00, subject to the Court finally approving this Settlement. *Id.*
5 Class Counsel have, at their own risk, expended costs, for example, to file this instant action and
6 other pleadings in the case, effect service of process, participate in mediation, and advance other
7 litigation-related costs.

8 18. Defendant does not object to Plaintiffs’ request for an enhancement payment to each
9 Class Representative of \$10,000.00, to compensate Plaintiffs for prosecuting this action on behalf of
10 other employees and for executing a general release of all claims, including a waiver under Section
11 1542. Agreement ¶¶ 44, 73.

12 19. The Settlement Agreement provides for the payment of the fees and expenses
13 incurred by the Settlement Administrator in connection with the administration of this settlement.
14 The Parties have received a quote from Phoenix Settlement Administrator for the amount of
15 \$13,945.00 to administer the settlement. Agreement ¶ 45. Phoenix Settlement Administrators is a
16 well-recognized class action settlement administrator. The Parties believe that the administration fee
17 is reasonable and should be approved.

18 20. Finally, the terms of the Settlement provide that uncashed checks (upon the
19 expiration date) shall be distributed to Legal Aid at Work as the *cy pres* beneficiary. *See* Agreement
20 ¶ 63. Legal Aid at Work is a non-profit legal services organization that provides free clinics and
21 legal information, litigation services, and policy advocacy to strengthen workers’ rights, in
22 accordance with California Civil Procedure § 384.

23 21. I do not have a relationship with Legal Aid at Work, the proposed *cy pres*
24 beneficiary, nor am I aware of any relationship between Class Counsel and Legal Aid at Work.

25 **PAYMENTS TO CLASS MEMBERS**

26 22. Provided that the Court approves the above amounts in full, Class Counsel estimates
27 that the Net Settlement Amount will be approximately \$903,171.67.

28 23. Pursuant to the Agreement, Defendant has represented that there are 1,337

1 individuals that comprise the Class. Based on the anticipated Net Settlement Amount, on a pure raw
2 average, each Participating Class Member may potentially recover approximately \$675.52. The
3 amount actually paid to each Participating Class Member may increase or decrease depending on
4 the actual number of workweeks worked during the Class Period and the number of opt-outs
5 received. To the extent that there are valid opt-outs, the Settlement Administrator will
6 proportionately increase the individual settlement payments to each Participating Class Member so
7 that the amount actually distributed to Participating Class Members equals 100% of the Net
8 Settlement Amount.

9 **POTENTIAL DAMAGES AND PENALTIES**

10 24. Using the data and sample records provided by Defendant, Class Counsel performed
11 a damages analysis.

12 25. Based on the class data provided by Defendant, Plaintiffs estimated that Defendant
13 would realistically face potential liability of up to approximately \$11,552,540.90 for Plaintiffs' class
14 claims if Plaintiffs succeeded at trial on all class claims. Plaintiffs were able to estimate the
15 potential class penalties based on class data and sample records provided by Defendant. *Id.*
16 Specifically, this amount was calculated based on the following breakdowns for each class claim:

- 17 • \$3,236,625 for meal period violations;
- 18 • \$3,236,625 for rest period violations;
- 19 • \$1,521,116.50 for unpaid wages;
- 20 • \$2,674,000 for Labor Code § 226(e) penalties;
- 21 • \$225,000 for unreimbursed business expenses; and
- 22 • \$659,174.40 for waiting time penalties under Labor Code § 203

23 26. Based on the data provided by Defendant, Plaintiffs also calculated potential civil
24 penalties for Plaintiffs' PAGA claims. Plaintiffs estimated that Defendant could face civil penalties
25 of up to \$3,858,600. The breakdown for the calculation of Plaintiffs' PAGA penalties is as follows:

- 26 • \$771,720 for meal period violations;
- 27 • \$771,720 for rest period violations;
- 28 • \$771,720 for unpaid wages;

- \$771,720 for wage statement violations; and
- \$771,720 for PAGA penalties with respect to the overtime regular rate claim.

27. However, even assuming Plaintiffs ultimately prevail on their PAGA claims, the Court still has discretion to reduce any PAGA penalties. Pursuant to Labor Code § 2699(e)(2), the Court can decline to award PAGA penalties where “if, based on the facts and circumstances of the particular case, to do otherwise, would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Indeed, as shown in the Court of Appeal’s decision in *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504 (2018), while the plaintiff prevailed on his PAGA claim upon trial, the trial court reduced the maximum PAGA penalty amount by 90%, citing the employer’s good faith attempt at complying with the law. *Id.* at p. 517. Upon review, the Court of Appeal found such reduction to be proper. *Id.* at p. 539.

28. Although Plaintiffs believe in the merits of the alleged claims and maintains that there is no reason for reducing PAGA penalties, Plaintiffs are aware that Defendant may raise defenses to the claims and further with respect to the reduction of PAGA penalties and that it could be persuasive to the Court. Thus, even if Plaintiffs were to successfully prove their claims at trial, there is a possibility that the Court may only award a small percentage of PAGA penalties, as the Court has discretion to do so. The Gross Settlement Amount was premised with this risk in mind, associated with the possibility of the Court significantly reducing Plaintiffs’ PAGA penalties, along with other attendant risks, even if Plaintiffs were to prevail at trial.

29. Further, Defendant raised several defenses that presented risk on Plaintiffs’ claims. With respect to the meal and rest period premium claims, it is Defendant’s position that it maintains and follows a compliant meal and rest break policy, and that it provides proper training and periodic reminders to employees regarding the policy. Furthermore, Defendant contends that waiting time penalties are not available for any alleged late payment of meal and rest period premiums, as it disputes that meal and rest period premiums constitute “wages.” It is Defendant’s position that waiting time penalties are only available in an action or claim to recover nonpayment of wages.

30. Although Plaintiffs believe that the class can be certified, Plaintiffs also believe in the fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiffs

1 involved in not prevailing on one or more of the causes of action or theories alleged in the operative
2 complaints, the possibility of non-certification, and the potential for appeals.

3 31. Taking these defenses above into account on the class and PAGA claims, Plaintiffs
4 believe that the settlement for the amount stated herein is fair, reasonable, and adequate.

5 32. Thus, the settlement for each Class Member is fair, reasonable, and adequate, given
6 the inherent risks of litigation, including the substantial risks relative to class certification, the costs
7 of pursuing such litigation, and the risks associated with the Court's discretion to reduce PAGA
8 penalties. The settlement is the result of extensive arm's-length negotiations between the Parties and
9 their counsel and was facilitated by an experienced and neutral mediator.

10 ATTORNEY EXPERIENCE

11 33. I am one of the primary attorneys on this matter. My qualifications are as follows: I
12 received a full-tuition scholarship, and graduated from Southwestern Law School in 2013, magna
13 cum laude. I was in the top 5% of my class. During my time at Southwestern, I was a Notes and
14 Comments Editor on the Southwestern Law Review. I also received awards for achieving the
15 highest grade in my class in several courses. In 2012, I was a full-time extern, at the United States
16 District Court for the Central District. Immediately after law school, I taught several courses at
17 Southwestern, including Principles of Legal Analysis and Legal Methods. I taught those courses for
18 approximately four years.

19 34. I practiced civil litigation at Haight Brown & Bonesteel LLP from approximately
20 September 2013, through January 2016. I was third-chair in a federal court jury trial that resulted in
21 a defense verdict in our client's favor on a \$21 million commercial breach of contract dispute. I also
22 regularly litigated cases across the civil litigation spectrum, including employment matters.

23 35. From February 2016, through Fall 2017, I practiced at the international law firm of
24 Arnold & Porter, which had recently merged with Kaye Scholer, LLP. I defended Fortune 50
25 companies in Multi-District Litigation primarily in the product liability sphere. I also successfully
26 drafted an appellate brief in the Ninth Circuit resulting in the reversal of a summary judgment
27 decision regarding trade secret issues, in addition to working in several other practice groups.

28 36. From September 2017, through September 2018, I served as a law clerk to a Judge

1 sitting on the United States District Court, Central District of California. I regularly prepared bench
2 memoranda, on cases involving all types of civil litigation, including regularly working on wage
3 and hour class actions.

4 37. I am currently an associate at the law firm Diversity Law Group, P.C., an
5 employment law firm that has handled numerous wage and hour class and individual actions, on
6 both plaintiff and defense sides. My current practice focuses on employment matters involving both
7 class actions, and single plaintiffs. The firm currently has cases in the Los Angeles Superior Courts,
8 the Orange County Superior Courts, the San Diego County Superior Courts, and the United States
9 District Courts for the Central, Northern, and Eastern Districts of California. I am currently
10 handling numerous wage and hour class action lawsuits with the firm, including, but not limited to:
11 *Agar v. Sensient Natural Ingredients, LLC* (Case No. CV-19-001906, Stanislaus County Superior
12 Court); *Cunningham, et al. v. Diverse Business Solutions* (Case No. CIVDS1817095, San
13 Bernardino County Superior Court); *Heredia v. Eddie Bauer LLC* (Case No. 16CV300475, United
14 States District Court, Northern District of California); *Parsons v. Estenson Logistics, LLC* (Case
15 No. 34-2019-00252929, Sacramento County Superior Court); and *Coronel v. Pinnacle Agriculture*
16 (Case No. 18CV004287, Monterey County Superior Court).

17 38. On June 14, 2019, I argued two related cases in front of the Ninth Circuit Court of
18 Appeals. One of them was *Rodriguez v Nike Retail Service Inc.*, Case No. 17-16866. On June 28,
19 2019, the Ninth Circuit issued a published decision, reversing and remanding in favor of our clients.
20 *Rodriguez v. Nike Retail Servs., Inc.*, 928 F.3d 810 (9th Cir. 2019).

21 39. I have also assisted the firm in numerous wage and hour class action mediations.

22 40. My co-counsel and I will adequately represent the Class Members in this action.
23 Class Counsel have and will zealously represent Plaintiffs and the Class and pursue this lawsuit to
24 its conclusion.

25 41. I have no conflicts with the Class and will adequately represent the Class.

26 **NOTICE TO THE LWDA**

27 42. Concurrent with the filing of the Motion for Preliminary Approval of Class Action
28 Settlement, my office uploaded the Motion and Settlement Agreement to the LWDA's website.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 16th day of February 2023, at Los Angeles, California.


Max W. Gavron

EXHIBIT A

1 B. James Fitzpatrick (SBN: 129056)
2 Laura L. Franklin (SBN: 282642)
3 **FITZPATRICK & SWANSTON**
4 555 S. Main Street
5 Salinas, CA 93901
6 Telephone: (831) 755-1311
7 Facsimile: (831) 755-1319

8 Larry W. Lee (SBN 228175)
9 Max W. Gavron (SBN 291697)
10 **DIVERSITY LAW GROUP, P.C.**
11 515 S. Figueroa Street, Suite 1250
12 Los Angeles, CA 90071
13 Telephone: (213) 488-6555
14 Facsimile: (213) 488-6554

15 Attorneys for Plaintiff,
16 ANGELICA MACIAS, on behalf of herself and all similarly aggrieved employees
17
18 (Additional Counsel on Next Page)

19 **SUPERIOR COURT OF CALIFORNIA**
20 **COUNTY OF MONTEREY**

21 CECILIA ZAMUDIO, on behalf of herself
22 and all similarly aggrieved employees,

23 Plaintiff,

24 v.

25 CYPRESS HEALTHCARE PARTNERS,
26 LLC; and DOES 1 through 50, inclusive,

27 Defendants.

28 ANGELICA MACIAS, on behalf of herself
and all similarly aggrieved employees,

Plaintiff,

v.

CYPRESS HEALTHCARE PARTNERS,
LLC; and DOES 1 through 50, inclusive,

Defendants.

Case No. 20CV003329
[Related Case No. 21CV000056]

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT**

Complaint Filed: December 11, 2020
FAC Filed: February 23, 2021
Trial Date: Not Set

Complaint Filed: January 7, 2021
Trial Date: Not Set

1 Chaim Shaun Setareh (SBN: 204514)
2 **SETAREH LAW GROUP**
3 9665 Wilshire Blvd., Suite 430
4 Beverly Hills, CA 90212
5 Telephone: (310) 888-7771
6 Facsimile: (310) 888-0109

7 Attorneys for Plaintiff,
8 CECILIA ZAMUDIO, on behalf of herself and all similarly aggrieved employees

9 Elizabeth R. Leitzinger
10 **FENTON & KELLER**
11 2801 Monterey-Salinas Highway
12 P.O. Box 791, Monterey, CA 93942
13 Telephone: (831) 373-1241
14 Facsimile: (831) 373-7219

15 Attorneys for Defendant,
16 CYPRESS HEALTHCARE PARTNERS, LLC

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JOINT STIPULATION OF CLASS ACTION SETTLEMENT

This Joint Stipulation of Class Action Settlement (“Agreement” or “Settlement”) is made and entered into by and between **Plaintiffs Angelica Macias and Cecilia Zamudio (together, “Plaintiffs”)** and **Defendant Cypress Healthcare Partners, LLC (“Defendant”)** (collectively with Plaintiffs, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Agreement. Definitions contained elsewhere in this Agreement shall also be effective:

1. “Action” means *Cecilia Zamudio v. Cypress Healthcare Partners, LLC*, Monterey County **Case No. 20CV003329** (filed on December 11, 2020), as consolidated with *Angelica Macias v. Cypress Healthcare Partners, LLC*, Monterey County Case No. 21CV000056 (filed on January 7, 2021) and all pleadings filed therein, including the operative pleadings.

2. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action Settlement.

3. **“Aggrieved Employees” means all current and former non-exempt employees of Defendant who worked for Defendant in the State of California at any time from December 11, 2019, through May 31, 2022. Defendant’s records indicate that there are approximately 938 Aggrieved Employees.**

4. **“Class” or “Class Member(s)” mean all current and former non-exempt employees of Defendant who worked for Defendant in the State of California at any time from December 11, 2016, through May 31, 2022. Defendant’s records indicate that there are approximately 1,337 Class Members. Defendant represents that the Class Members worked approximately 106,688 workweeks during the Class Period.**

5. “Class Counsel” means B. James Fitzpatrick and Laura L. Franklin of Fitzpatrick & Swanston; Larry W. Lee and Max W. Gavron of Diversity Law Group, P.C., and Chaim Shaun Setareh and David Keledjian of Setareh Law Group.

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1 6. “Class Counsel Award” means such award of fees and costs and expenses as the
2 Court may authorize to be paid to Class Counsel for the services they have rendered and will
3 render to Plaintiffs and the Class in the Action. Defendant agrees not to oppose Class Counsel
4 Award not to exceed one-third of the Gross Settlement Amount (\$1,600,000.00), *i.e.*, the sum
5 of Five Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three
6 Cents (\$533,333.33), and litigation costs in the amount of up to Thirty Thousand Dollars
7 (\$30,000.00), subject to the Court finally approving this Settlement. Any portion of the Class
8 Counsel Award not awarded to Class Counsel shall be added to the Net Settlement Amount, and
9 shall be distributed to Class Members as provided in this Agreement.

10 7. “Class List and Data” means information regarding all Class Members that
11 Defendant will diligently and in good faith compile from its records and provide to the
12 Settlement Administrator after Preliminary Approval of this Settlement. The Class List shall be
13 formatted as a Microsoft Office Excel spreadsheet and shall include: each Class Member’s full
14 name, most recent mailing address, employee number, Social Security number, the estimated
15 number of workweeks worked by each Class Member during the Class Period, and the number
16 of pay periods worked by each Aggrieved Employee during the PAGA Period.

17 8. “Class Period” means the period from December 11, 2016, through May 31, 2022.

18 9. “Class Representatives” means Plaintiffs Cecilia Zamudio and Angelica Macias.

19 10. “Class Representative Enhancement Payment” means the amount that the Court
20 authorizes to be paid to Plaintiffs, in addition to their Individual Settlement Payments, in
21 recognition of their efforts and risks in assisting with the prosecution of the Action and in
22 consideration for providing a general release of all claims and a waiver under Civil Code § 1542.
23 Subject to the Court granting final approval, the Parties agree that each Plaintiff shall be paid up
24 to Ten Thousand Dollars (\$10,000.00) from the Gross Settlement Amount for their Class
25 Representative Enhancement Payment.

26 11. “Counsel for Defendant” or “Defense Counsel” means Elizabeth R. Leitzinger
27 and Marco A. Lucido of the law firm of Fenton & Keller.

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1 12. “Court” means the Superior Court for the State of California, County of Monterey,
2 or any other court taking jurisdiction of the Action.

3 13. “Defendant” means Defendant Cypress Healthcare Partners, LLC, including its
4 predecessors, if any, as well as each of its respective predecessors, successors, and all former,
5 current, related organizations, companies, divisions, subsidiaries, affiliates, insurers, and
6 parents, and collectively, their respective former, current and future directors, officers,
7 employees, agents, representatives, attorneys, fiduciaries, assigns, heirs, executors,
8 administrators, beneficiaries, insurers, and trustees.

9 14. “Effective Date” means: (a) the date when the Final Approval Order is signed,
10 if there are no objections, or if an objection is withdrawn prior to the Final Approval hearing,
11 or (b) in the event there are objectors, sixty (60) days after service of notice of entry of the
12 Final Approval Order and Judgment on the Parties and all objectors to the Settlement without
13 any appeals or request for review being taken, or orders affirming said Final Approval Order
14 and Judgment or denying review after exhaustion of all appellate remedies, if appeals or
15 requests for review have been taken.

16 15. “Final Approval” means that the Final Approval Order and Judgment have been
17 entered by the Court.

18 16. “Gross Settlement Amount” means the all-inclusive maximum settlement amount
19 of One Million Six Hundred Thousand Dollars (\$1,600,000.00) to be paid by Defendant as a
20 result of this Stipulation, subject to the Escalation Clause under Paragraph 60 herein. The Gross
21 Settlement Amount includes all Individual Settlement Payments to Participating Class
22 Members, Class Representative Enhancement Payment to Plaintiffs, Settlement Administration
23 Costs to the Settlement Administrator, PAGA Payment, and Class Counsel Award. The Gross
24 Settlement Amount shall also include any interest that accrues in the escrow account created by
25 the Settlement Administrator.

26 17. “Individual Settlement Payment” means the amount payable from the Net
27 Settlement Amount to each Participating Class Member and the amount payable from the PAGA
28 Payment to each Aggrieved Employee.

1 18. “Net Settlement Amount” means the balance of the Gross Settlement Amount
2 remaining after deduction of the approved **Class Representative Enhancement Payment,**
3 **Settlement Administration Costs, PAGA Payment, and Class Counsel Award.** The entire Net
4 Settlement Amount is the maximum amount that will be available for distribution to
5 Participating Class Members.

6 19. “**Notice of Objection**” means a Class Member’s valid and timely written objection
7 to the Settlement. For the Notice of Objection to be valid, **it must include: (a) the objector’s full**
8 **name, address, and telephone number; (b) a written statement of basis for the objection; and (c)**
9 **the objector’s signature.** The objector may include any copies of papers, briefs, or documents
10 upon which the objection is based. The Notice of Objection must be returned by mail or fax to
11 the Settlement Administrator at the specified address/facsimile indicated in the Notice Packet
12 and be postmarked by the Response Deadline.

13 20. “Notice Packet” means the Notice of Proposed Class Action Settlement,
14 substantially in the form attached as Exhibit A.

15 21. “PAGA Payment” means the portion of the Gross Settlement Amount that the
16 Parties have agreed will be allocated to resolve all claims and remedies under the Labor Code
17 Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698, *et seq.*, “PAGA”). The amount
18 of the PAGA Payment is subject to Court approval pursuant to California Labor Code § 2699(1).
19 The Parties have agreed that One Hundred Thousand Dollars (\$100,000.00) of the Gross
20 Settlement Amount shall be allocated to the resolution of any Class Members’ claims arising
21 under PAGA. Pursuant to the **PAGA, 75% of the PAGA Payment, i.e., the sum of Seventy-Five**
22 **Thousand Dollars (\$75,000.00), shall be paid to the California Labor and Workforce**
23 **Development Agency (“LWDA”), and 25% of the PAGA Payment, i.e., the sum of Twenty-**
24 **Five Thousand Dollars (\$25,000.00), shall be distributed to Aggrieved Employees** pursuant to
25 Paragraph 46.

26 22. “**PAGA Period**” means the period from December 11, 2019, through May 31,
27 **2022.**

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1 23. “Parties” means Plaintiffs, on behalf of themselves and the Class, and Defendant
2 collectively.

3 24. “Participating Class Members” means all Class Members who do not submit valid
4 and timely Requests for Exclusion.

5 25. “Plaintiffs” means Angelica Macias and Cecilia Zamudio.

6 26. “Preliminary Approval” means the Court’s order granting preliminary approval of
7 the Settlement.

8 27. “Released Class Claims” means all claims that were alleged in the operative
9 complaints of the Action and any claims that could have been alleged based on the facts as
10 alleged in the operative complaints of the Action.

11 28. “Released Claims Period” means the period from December 11, 2016, through
12 May 31, 2022.

13 29. “Released PAGA Claims” means all claims under the Private Attorneys General
14 Act that were alleged in the operative complaints in the Action and any claims that could have
15 been alleged based on the facts as alleged in the operative complaints in the Action.

16 30. “Released Parties” means Defendant, Salinas Valley Memorial Healthcare
17 System, Salinas Valley Memorial Hospital Foundation, Salinas Valley Memorial Hospital,
18 Salinas Valley Medical Clinics, and all of their past and present affiliated entities, parents,
19 subsidiaries, owners, officers, shareholders, executives, managers, and employees.

20 31. “Request for Exclusion” means a timely written letter submitted by a Class
21 Member indicating a request to be excluded from/opt out of the Settlement. **The Request for**
22 **Exclusion must: (a) state that the Class Member does not wish to be included in the Settlement;**
23 **(b) set forth the name, address, and telephone number of the Class Member requesting exclusion;**
24 **and (c) be signed by the Class Member.** The Request for Exclusion must be returned by mail or
25 fax to the Settlement Administrator at the specified address/facsimile indicated in the Notice
26 Packet and must be postmarked on or before the Response Deadline.

27 32. “Response Deadline” means **forty-five (45) days after the Settlement**
28 **Administrator initially mails the Notice Packet** to Class Members, and the last date on which

1 Class Members may submit Requests for Exclusion or Notices of Objections to the Settlement.

2 Those Class Members who receive a re-mailed Notice Packet shall have their Response

3 Deadline extended fifteen (15) calendar days from the original Response Deadline.

4 33. “Settlement” means the agreement among parties to resolve the Action, as set forth
5 in this Stipulation.

6 34. “Settlement Administration Costs” means the fees and expenses reasonably
7 incurred by the Settlement Administrator as a result of the procedures and processes expressly
8 required by this Agreement, which are not to exceed Thirteen Thousand Four Hundred and
9 Ninety-Five Dollars and Zero Cents (\$13,495.00). Any portion of the Settlement Administration
10 Costs not approved by the Court shall become part of the Net Settlement Amount.

11 35. “Settlement Administrator” means Phoenix Settlement Administrators.

12 36. “Settlement Payment Check” means the payment to Participating Class Members
13 and/or Aggrieved Employees pursuant to this Settlement.

14 **RECITALS**

15 35. This Settlement is made and entered into by and between Plaintiffs Angelica
16 Macias and Cecilia Zamudio and Defendant, and is subject to the terms and conditions hereof,
17 and to the Court’s approval. The Parties expressly acknowledge that this Agreement is entered
18 into solely for the purpose of compromising significantly disputed claims and that nothing herein
19 is an admission of liability or wrongdoing by Defendant.

20 36. Procedural History. On December 11, 2020, Cecilia Zamudio initiated this action
21 in Monterey County Superior Court. On February 23, 2021, Ms. Zamudio filed a first amended
22 class and representative action complaint.

23 37. On January 7, 2021, Angelica Macias filed a separate, related class and
24 representative action in Monterey County Superior Court, Case No. 21CV000056 (“Macias
25 Action”).

26 38. On October 21, 2022, the Parties submitted a stipulation to consolidate the cases
27 for purposes of settlement. On November 2, 2022, the Court approved the stipulation and
28 ordered that the cases be consolidated for settlement purposes.

1 39. After counsel for the Plaintiffs became aware of the related action, the Parties
2 agreed to participate in a global mediation of all claims. On April 20, 2022, the Parties
3 participated in private mediation with mediator Mike Masuda, Esq. The matter did not
4 immediately settle. After continued arm’s-length negotiations during mediation and the months
5 that followed, the Parties and their counsel have agreed to settle the Action on the terms set forth
6 herein.

7 40. The Parties recognize the risk, expense, and delay in continuing the Action, and
8 therefore believe the Settlement to be fair, reasonable, and adequate. Accordingly, the Parties
9 desire to settle, compromise, and discharge all disputes and claims arising from or relating to
10 the Action.

11 **TERMS OF AGREEMENT**

12 Plaintiffs, on behalf of themselves and the Class, and Defendant agree as follows:

13 41. Settlement Consideration. Defendant shall pay the sum of the Gross Settlement
14 Amount as specified in this Agreement, which shall be used to pay: (1) Individual Settlement
15 Payments to Class Members; (2) Class Counsel Award; (3) Class Representative Enhancement
16 Payment; (4) Settlement Administration Costs to the Settlement Administrator; and (5) the
17 PAGA Payment. The Parties agree that this is a non-reversionary Settlement and that no portion
18 of the Gross Settlement Amount shall revert to Defendant. Subject to the Escalation Clause
19 under Paragraph 60 herein, in no event shall Defendant be required to pay more than the Gross
20 Settlement Amount as specified in this Agreement, with the exception of Defendant’s share of
21 employer payroll taxes, which shall be paid separate and in addition to the Gross Settlement
22 Amount.

23 42. Funding of the Gross Settlement Amount. **Within fifteen (15) calendar days after**
24 **the Effective Date**, Defendant shall make a one-time deposit of the Gross Settlement Amount
25 into a Qualified Settlement Account to be established by the Settlement Administrator.

26 43. Class Counsel Award. Defendant agrees not to oppose or impede any application
27 or motion by Class Counsel for attorneys’ fees not to exceed one-third of the Gross Settlement
28 Amount (\$1,600,000.00), *i.e.*, the sum of Five Hundred Thirty-Three Thousand Three Hundred

1 Thirty-Three Dollars and Thirty-Three Cents (\$533,333.33), and costs in the amount of up to
2 Thirty Thousand Dollars (\$30,000.00), which shall be paid from the Gross Settlement Amount.
3 The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the
4 awarded attorneys' fees and costs. Any portion of the Class Counsel Award not awarded to
5 Class Counsel shall become part of the Net Settlement Amount and shall be distributed to Class
6 Members as provided in this Agreement.

7 44. Class Representative Enhancement Payment. Defendant agrees not to oppose or
8 impede any application or motion by Plaintiffs for a Class Representative Enhancement
9 Payment of up to Ten Thousand Dollars (\$10,000.00) to each Plaintiff. The Class
10 Representative Enhancement Payment shall be paid from the Gross Settlement Amount and
11 shall be paid in addition to the Class Representatives' Individual Settlement Payments as Class
12 Members. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs reflecting
13 the Class Representative Enhancement Payment. Plaintiffs shall be solely and legally
14 responsible to pay any and all applicable taxes on their Class Representative Enhancement
15 Award and shall hold harmless Defendant from any claim or liability for taxes, penalties, or
16 interest arising as a result of the Class Representative Enhancement Award. Any portion of
17 the Class Representative Enhancement Payment not awarded to Plaintiffs shall become part of
18 the Net Settlement Amount and shall be distributed to Class Members as provided in this
19 Agreement.

20 45. Settlement Administration Costs. The Settlement Administrator shall be paid for
21 the reasonable costs of administration of the Settlement from the Gross Settlement Amount, not
22 to exceed Thirteen Thousand Four Hundred and Ninety-Five Dollars and Zero Cents
23 (\$13,495.00). These costs, which shall be paid from the Gross Settlement Amount, shall
24 include, *inter alia*, distributing the Notice Packet, the required tax reporting on the Individual
25 Settlement Payments, the issuing of 1099 IRS Forms, establishing a Qualified Settlement Fund,
26 administering and distributing the Gross Settlement Amount and Class Counsel Award, and
27 providing necessary reports and declarations. Any portion of the Settlement Administration
28 Costs not approved by the Court shall become part of the Net Settlement Amount and shall be

1 distributed to Class Members as provided in this Agreement.

2 46. PAGA Payment. Subject to Court approval, the Parties agree that the amount of
3 One Hundred Thousand Dollars (\$100,000.00) of the Gross Settlement Amount shall be
4 designated for satisfaction of claims for civil penalties under the Labor Code Private Attorneys
5 General Act of 2004. The Settlement Administration shall pay seventy-five percent (75%) of
6 the PAGA payment, *i.e.*, the sum of Seventy-Five Thousand Dollars (\$75,000.00), to the
7 California Labor and Workforce Development Agency. The remaining twenty-five percent
8 (25%) of the PAGA Payment, *i.e.*, the sum of Twenty-Five Thousand Dollars (\$25,000.00),
9 shall be distributed to Aggrieved Employees on a pro rata basis, based on the number of pay
10 periods each respective Aggrieved Employee worked during the PAGA Period as compared to
11 all aggregate pay periods worked by all Aggrieved Employees during the PAGA Period.

12 47. Net Settlement Amount. The Net Settlement Amount shall be used to satisfy
13 Individual Settlement Payments to Participating Class Members in accordance with the terms
14 of this Agreement. The Settlement Administrator will allocate the Individual Settlement
15 Payments by first dividing the Net Settlement Amount by the total number of approximate
16 workweeks worked by Class Members during the Class Period. That value will then be
17 multiplied by the number of approximate workweeks each respective Participating Class
18 Member worked during the Class Period to arrive at the Individual Settlement Amount for
19 each respective Participating Class Member. Participating Class Members are entitled to
20 100% of the Net Settlement Amount. Defendant maintains no reversionary right to any portion
21 of the Net Settlement Amount. If there are any timely submitted Requests for Exclusion, the
22 Settlement Administrator shall proportionately increase the Individual Settlement Payments
23 for each Participating Class Member so that the amount actually distributed to Participating
24 Class Members equals 100% of the Net Settlement Amount.

25 48. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
26 Participating Class Members under this Agreement, as well as any other payments made
27 pursuant to this Agreement, shall not be utilized to calculate any additional benefits under any
28 benefit plans to which any Class Members may be eligible, including, but not limited to: profit-

1 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans,
2 PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement
3 will not affect any rights, contributions, or amounts to which any Class Members may be entitled
4 under any benefit plans.

5 49. Settlement Administration Process. The Parties agree to cooperate in the
6 administration of the Settlement and to make all reasonable efforts to control and minimize the
7 costs and expenses incurred in the administration of the Settlement. The Settlement
8 Administrator shall provide the following services:

- 9 a. Establish and maintain a Qualified Settlement Fund account;
- 10 b. Calculate the amount of the Settlement each Class Member/Aggrieved
11 Employee is eligible to receive;
- 12 c. Prior to mailing the Notice Packet, the Settlement Administrator will
13 verify the last known address for each Class Member through a generally utilized, national
14 address update database;
- 15 d. Translating (if necessary), printing, and mailing the Notice Packet;
- 16 e. Establishing and maintaining a toll-free informational telephone support
17 line to assist Class Members who have questions regarding the Notice Packet;
- 18 f. Conducting additional address searches for mailed Notice Packets that are
19 returned as undeliverable, and to the extent new and more current addresses are found, the
20 Settlement Administrator will also reprint and re-mail Notice Packets accordingly;
- 21 g. Calculating Participating Class Members' settlement share, fielding
22 inquiries from Class Members, and administration of any Requests for Exclusion. This service
23 will include settlement proceed calculations, printing and issuance of checks, and preparation of
24 IRS Forms W-2 and 1099. Basic accounting for and payment of employee tax withholdings
25 will also be included as part of this service;
- 26 h. Providing declarations and/or other information to the Court as requested.

27 50. Delivery of the Class List and Data. Within fifteen (15) calendar days of
28 Preliminary Approval, Defendant shall provide the Class List and Data to the Settlement

1 Administrator.

2 51. Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving
3 the Class List and Data from Defendant, the Settlement Administrator shall mail the Notice
4 Packet to all Class Members via regular First-Class U.S. Mail, using the most current, known
5 mailing addresses identified in the Class List.

6 52. Confirmation of Contact Information in the Class List. Prior to mailing, the
7 Settlement Administrator shall perform a search based on the National Change of Address
8 Database for information to update and correct for any known or identifiable address changes.

9 53. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice
10 Packet will include without limitation: (1) information regarding the nature of the Action; (2) a
11 summary of the Settlement's principal terms; (3) each Class Member's estimated Individual
12 Settlement Payment and the formula for calculating Individual Settlement Payments, if they do
13 not request to be excluded; (4) instructions on how to submit valid opt outs or objections; (5)
14 the deadlines by which the Class Member must submit their exclusions or objections to the
15 Settlement; (6) the date for the final approval hearing; and (7) the claims to be released. The
16 Notice Packet will also inform Class Members that in order to receive the Individual Settlement
17 Payment, they do not need to do anything except keep the Settlement Administrator apprised of
18 their current mailing addresses.

19 54. Re-Mailing of Returned Notices. Any Notice Packets returned to the Settlement
20 Administrator as non-deliverable on or before the Response Deadline shall be re-sent promptly
21 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
22 Administrator shall indicate the date of such re-mailing on the Notice Packet. If no forwarding
23 address is provided, the Settlement Administrator shall promptly attempt to determine the
24 correct address using a skip-trace, or other search using the name, address and/or Social Security
25 number of the Class Member involved, and shall then perform a re-mailing. Those Class
26 Members who receive a re-mailed Notice Packet shall have their Response Deadline extended
27 fifteen (15) calendar days from the original Response Deadline.

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1 55. Request for Exclusion Procedures. Any Class Member may opt-out from the
2 Settlement by submitting a written Request for Exclusion to the Settlement Administrator
3 postmarked by the Response Deadline. Requests for Exclusion must: (1) contain the name,
4 address, and telephone number of the person requesting exclusion; (2) state that the Class
5 Member does not wish to be included in the Settlement; and (3) be signed by the Class Member.
6 The Request for Exclusion must be returned by mail or fax to the Settlement Administrator at
7 the specified address/facsimile number, and be postmarked on or before the Response Deadline.
8 The date of the postmark shall be the exclusive means to determine whether a Request for
9 Exclusion has been timely submitted. By submitting such a Request for Exclusion, a Class
10 Member shall be deemed to have exercised his or her option to opt out of the Action and not be
11 bound by this Agreement. Accordingly, a Class Member that timely submits a valid Request
12 for Exclusion will not be entitled to any payments under this Settlement and will not be bound
13 by the terms of the Settlement. Any Class Member who fails to submit a valid and timely
14 Request for Exclusion on or before the Response Deadline shall be deemed a Participating Class
15 Member, and will be bound by all terms of the Settlement, if the Settlement is granted final
16 approval by the Court.

17 56. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
18 Member who does not affirmatively opt-out of the Settlement by submitting a valid and timely
19 Request for Exclusion shall be bound by all of its terms, including those pertaining to the
20 Released Claims, as well as any Judgment that may be entered by the Court.

21 57. No PAGA Opt-Out. The Parties acknowledge and agree that for purposes of the
22 Settlement, all Aggrieved Employees were allegedly aggrieved in the same manner pursuant to
23 Labor Code § 2698, *et seq.*, in that each Aggrieved Employee allegedly suffered at least one of
24 the alleged Labor Code violations asserted in the operative Complaint for which the PAGA
25 provides an available remedy. In light of the binding nature of a PAGA judgment on non-party
26 employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969 (2009), and *Cardenas v.*
27 *McLane Foodservice, Inc.*, 2011 WL 379413 at *3 (C.D. Cal. Jan. 31, 2011), individuals
28 otherwise meeting the definition of Aggrieved Employees who exclude themselves from the

1 Settlement, nonetheless shall be bound by the Judgment of the Released PAGA Claims and will
2 receive their proportionate share of the PAGA Payment. All Aggrieved Employees shall be
3 bound by the Judgment entered herein and will have released the Released PAGA Claims upon
4 the final approval of this Settlement and the payment of the Settlement Payment Check.

5 58. Objection Procedures. Any Class Member who does not opt-out of this Settlement
6 shall be entitled to object to the Settlement. To submit a written objection or Notice of Objection
7 to the Settlement, a Class Member should return by mail or fax a written statement of objection
8 to the Settlement Administrator at the specified address or facsimile by the Response Deadline.

9 The Notice of Objection must include: (a) the objector's full name, address, and telephone
10 number; (b) a written statement of basis for the objection; and (c) the objector's signature. The

11 objector may include any copies of papers, briefs, or documents upon which the objection is
12 based. The Notice of Objection must be returned by mail and/or fax to the Settlement
13 Administrator at the specified address/facsimile indicated in the Notice Packet, and should be
14 postmarked and/or fax stamped on or before the Response Deadline. The date of the
15 postmark/fax stamp on the Notice of Objection shall be deemed the exclusive means for
16 determining that a Notice of Objection is timely. Any Class Member who does not submit a
17 Notice of Objection in compliance with this paragraph may nevertheless appear at the final
18 approval hearing and present an oral objection to the Settlement. An attorney who will represent
19 an individual objecting to this Settlement who has not filed a written objection must file a notice
20 of appearance with the Court and serve Class Counsel and counsel for Defendant with this notice
21 no later than the Response Deadline. Any Class Member who does not submit a Notice of
22 Objection in compliance with this section, or who does not appear at the final approval hearing
23 and present an oral objection to the Settlement, shall be deemed to have waived any objection(s),
24 shall be conclusively deemed a Participating Class Member, and shall be precluded from making
25 any objection (including by appeal or otherwise) to the Settlement. At no time shall any of the
26 Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the
27 Settlement or appeal from the Order and Judgment. Class Counsel shall not represent any Class
28 Members with respect to any such objections to this Settlement. Any Class Member who

1 submits a valid Request for Exclusion shall not be allowed to object to this Settlement.

2 59. Defendant's Right to Rescind. If the number of Class Members opting out of the
3 Settlement by submitting valid and timely Requests for Exclusion account for more than ten
4 percent (10%) of the total approximate workweeks worked by Class Members during the Class
5 Period, Defendant has the right in its sole discretion to elect to rescind the Parties' Settlement.
6 The Parties agree that they will not encourage any Class Member to object or to opt out. If
7 Defendant exercises its option to rescind, Defendant shall: (a) provide written notice to Class
8 Counsel at least ten (10) business days prior to the final approval hearing, and (b) pay all
9 Settlement Administration Costs incurred by the Settlement Administrator up to the date of
10 Defendant's notice to rescind. In the event the Settlement is terminated, the Parties shall proceed
11 in all respects as if this Agreement had not been executed.

12 60. Escalation Clause. If the event that the total number of approximate workweeks
13 worked by the Class Members during the Class Period is more than 117,357 workweeks (or 10%
14 above 106,688), Defendant shall increase the Gross Settlement Amount on a proportional basis
15 based on the percentage by which the approximate number of workweeks worked by the Class
16 Members during the Class Period exceeds 117,357 (e.g., if there is a 15% increase to the number
17 of workweeks, Defendant shall increase the Gross Settlement Amount by 5%).

18 61. Certification Reports Regarding Individual Settlement Payment Calculations.
19 The Settlement Administrator shall provide Defense Counsel and Class Counsel a weekly report
20 which certifies the number of Class Members who have submitted valid Requests for Exclusion.
21 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated
22 reports regarding the administration of the Settlement as needed or requested.

23 62. Distribution Timing of Individual Settlement Payments. Within seven (7)
24 calendar days of Defendant funding the Gross Settlement Amount, the Settlement Administrator
25 shall issue respective payments to (1) Participating Class Members; (2) the Labor and Workforce
26 Development Agency; (3) Plaintiffs; and (4) Class Counsel. The Settlement Administrator shall
27 also issue a payment to itself for services performed in connection with the Settlement.

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1 63. Uncashed Settlement Payment Checks. Any checks issued by the Settlement
2 Administrator to Class Members shall be negotiable for not less than one hundred and eighty
3 (180) days from the date of their issuance. In the event an Individual Settlement Payment check
4 has not been cashed within one hundred and eighty (180) days, all funds represented by such
5 uncashed checks shall be distributed to the following *cy pres* beneficiary: Legal Aid at Work.
6 In such event, those Class Members will nevertheless remain bound by the Settlement.

7 64. Certification of Completion. Upon completion of administration of the
8 Settlement, the Settlement Administrator shall provide a written declaration under oath to certify
9 such completion to the Court and counsel for all Parties.

10 65. Administration Costs if Settlement Fails or is Delayed. If an objection to the
11 Settlement is filed with the Court, regardless of the ultimate outcome of any appeals taken, or if
12 the Settlement is voided or rescinded, any costs incurred by the Settlement Administrator shall
13 be borne equally by Defendant and Plaintiffs, unless otherwise specified in this Agreement.

14 66. Treatment of Individual Settlement Payments. All Individual Settlement
15 Payments to Class Members shall be allocated as follows: 10% as payment for wages, of which
16 an IRS Form W-2 shall issue, and 90% as penalties and interest, of which an IRS Form 1099
17 shall issue. 100% of the PAGA Payment distributed to Aggrieved Employees shall be allocated
18 as penalties and reported on IRS Form 1099.

19 67. Administration of Taxes by the Settlement Administrator. The Settlement
20 Administrator shall be responsible for issuing to Plaintiffs, Participating Class Members, and
21 Class Counsel, 1099 forms or other tax forms as may be required by law for all amounts paid
22 pursuant to this Agreement.

23 68. Tax Liability. Defendant makes no representation as to the tax treatment or legal
24 effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are
25 not relying on any statement, representation, or calculation by Defendant or by the Settlement
26 Administrator in this regard. Plaintiffs and Participating Class Members understand and agree
27 that they will be solely responsible for the payment of any employee's payroll withholdings and
28 taxes (*i.e.*, Social Security, Medicare, federal and state income taxes, SDI, etc.) assessed on their

1 respective payments described herein and will defend, indemnify, and hold Defendant free and
2 harmless from and against any claims, taxes, penalties, and/or assessments resulting from
3 treatment of such payments as wages or non-taxable damages.

4 69. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
5 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
6 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
7 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
8 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN
9 OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
10 WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR
11 DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX
12 ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
13 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING
14 PARTY (A) HAS RELIED EXCLUSIVELY UPON HER OR ITS OWN, INDEPENDENT
15 LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
16 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
17 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR
18 ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED
19 TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR
20 ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
21 IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR
22 ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
23 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S
24 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
25 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
26 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
27 TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

28 //

1 70. No Prior Assignments. The Parties and their counsel represent, covenant, and
2 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
3 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
4 demand, action, cause of action or right herein released and discharged.

5 71. Release of Claims by Participating Class Members. Upon the Effective Date and
6 funding of the Gross Settlement Amount, all Participating Class Members, on behalf of
7 themselves and their heirs, executors, representatives, administrators, trustees, and/or permitted
8 assigns, hereby do and shall be deemed to have fully, finally and forever released, settled,
9 compromised, relinquished and discharged any and all of the Released Parties of and from any
10 and all Released Class Claims that accrued during the Released Claims Period.

11 72. Release of Claims by Aggrieved Employees. Upon the Effective Date and funding
12 of the Gross Settlement Amount, all Aggrieved Employees, on behalf of themselves and the
13 State of California, hereby do and shall be deemed to have fully, finally and forever released,
14 settled, compromised, relinquished and discharged any and all of the Released Parties of and
15 from any and all Released PAGA Claims that accrued during the PAGA Period.

16 73. Release of Claims by Class Representatives. Upon the Effective Date and funding
17 of the Gross Settlement Amount, Plaintiffs Angelica Macias and Cecilia Zamudio, on behalf of
18 themselves and their heirs, executors, administrators, and representatives, shall and do hereby
19 forever release, discharge, and agree to hold harmless the Released Parties from any and all
20 charges, complaints, claims, liabilities, obligations, promises, agreements, controversies,
21 damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses
22 (including attorney fees and costs), known or unknown, at law or in equity, which they may now
23 have or may have after the signing of this Agreement, against the Released Parties including,
24 but not limited to, the Released Claims, claims that were asserted or could have been asserted
25 in the Complaint, and claims of any kind related to any and all transactions, occurrences, or
26 matters between the parties occurring prior to and through the Effective Date. Without limiting
27 the generality of the foregoing, this release shall include, but not be limited to, any and all claims
28 under the (a) Americans With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act

1 of 1964, as amended; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e)
 2 the Age Discrimination in Employment Act, as amended; (f) the Fair Labor Standards Act, as
 3 amended; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as
 4 amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act
 5 of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of 1966; (m) the
 6 California Fair Employment and Housing Act; (n) the California Constitution; (o) the California
 7 Labor Code; (p) the California Government Code; (q) the California Civil Code; and (r) any and
 8 all other federal, state and local statutes, ordinances, regulations, rules and other laws, and any
 9 and all claims based on constitutional, statutory, common law or regulatory grounds as well as
 10 any other claims based on theories of wrongful or constructive discharge, breach of contract or
 11 implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent
 12 infliction of emotional distress, or damages under any other federal, state or local statutes,
 13 ordinances, regulations, rules or laws. This release is for any and all relief, no matter how
 14 denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses,
 15 compensatory damages, tortious damages, liquidated damages, punitive damages, damages for
 16 pain and suffering, and attorney fees and costs, and Plaintiffs hereby forever release, discharge,
 17 and agree to hold harmless Defendant and the Released Parties from any and all claims for
 18 attorney fees and costs arising out of the matters released in this Agreement.

19 Plaintiffs specifically acknowledge that they are aware of and familiar with the
 20 provisions of Civil Code § 1542, which provides as follows:

21 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
 22 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT**
 23 **TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING**
 24 **THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD**
 25 **HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH**
 26 **THE DEBTOR OR RELEASED PARTY.**

26 Plaintiffs, being aware of Section 1542, hereby expressly waive and relinquish all rights and
 27 benefits they may have under Section 1542 as well as any other statutes or common law
 28 principles of a similar effect. Plaintiffs may hereafter discover facts in addition to or different

1 from those which they now know or believe to be true with respect to the subject matter of all
2 the claims referenced herein, but stipulate and agree that, upon the Effective Date, they shall
3 and hereby do fully, finally, and forever settle and release any and all claims against the Released
4 Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were
5 asserted or could have been asserted upon any theory of law or equity without regard to the
6 subsequent discovery of existence of such different or additional facts.

7 74. Nullification of Settlement. In the event that the Settlement does not become final
8 for any reason, then this Agreement, and any documents generated to bring it into effect, shall
9 be null and void. Any order or judgment entered by the Court in furtherance of this Agreement
10 shall likewise be treated as void from the beginning.

11 75. Disputes Regarding Individual Settlement Payments. In the event that Class
12 Members have a dispute as to the data provided by the Defendant, Class Members will have the
13 opportunity to provide documentation and/or an explanation. If there is a dispute, the Settlement
14 Administrator will consult with the Parties to determine whether an adjustment is warranted.
15 The Settlement Administrator shall determine the eligibility for, and the amounts of, any
16 Individual Settlement Payments under the terms of this Agreement, and that determination shall
17 be binding, subject to final resolution by the Court if the Court decides to rule on the dispute. If
18 the Court does not issue a ruling on the dispute, the Settlement Administrator's determination
19 of the dispute will be binding upon Class Members.

20 76. Disputes Regarding Administration of Settlement. Any disputes not resolved by
21 the Settlement Administrator concerning the administration of the Settlement will be resolved
22 by the Court under the laws of the State of California. Prior to any such involvement of the
23 Court, counsel for Parties will confer in good faith to resolve the disputes without the necessity
24 of involving the Court.

25 77. Preliminary Approval Hearing. Plaintiff shall obtain a hearing before the Court
26 to request the Preliminary Approval of the Settlement, and the entry of a Preliminary Approval
27 Order: (i) approving of the proposed Settlement, and (ii) setting a date for a Final
28 Approval/Settlement Fairness Hearing. The Preliminary Approval Order shall provide for the

1 Notice Packet to be sent to all Class Members as specified herein. In conjunction with the
2 Preliminary Approval hearing, Plaintiff shall submit this Agreement, which sets forth the terms
3 of this Settlement, and will include the proposed Notice Packet, attached to this Agreement as
4 Exhibit A.

5 78. Final Settlement Approval Hearing. Upon expiration of the deadlines to submit
6 Requests for Exclusion or Notices of Objections to the Settlement, and with the Court's
7 permission, a Final Approval/Settlement Fairness Hearing shall be conducted to determine the
8 Final Approval of the Settlement along with the amounts properly payable for (i) Individual
9 Settlement Payments; (ii) the payment to the Labor and Workforce Development Agency; (ii)
10 the Class Counsel Award; (iii) the Class Representative Enhancement Payment; and (iv)
11 Settlement Administration Costs. Class Counsel will be responsible for drafting all documents
12 necessary to obtain final approval. Class Counsel will also be responsible for drafting the
13 attorneys' fees and costs application to be heard at the final approval hearing.

14 79. Entry of Judgment and Continued Jurisdiction of the Court. Concurrent with the
15 Motion for Final Approval, the Parties shall also joint seek the entry of Judgment consistent
16 with the terms of this Agreement. After entry of the Judgment, the Court shall have continuing
17 jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms
18 of the Settlement, (ii) Settlement administration matters, and (iii) such post-Judgment matters
19 as may be appropriate under court rules or as set forth in this Agreement.

20 80. Mutual Non-Disparagement. Neither Party shall disparage or defame one another
21 to any third parties with or through any written or oral statement or image (including, but not
22 limited to, any statements made via websites, blogs, postings to the internet, or emails).

23 81. Exhibits Incorporated by Reference. The terms of this Agreement include the
24 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully
25 set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement.

26 82. Entire Agreement. This Agreement and any attached Exhibits constitute the
27 entirety of the Parties' Settlement terms. No other prior or contemporaneous written or oral
28 agreements may be deemed binding on the Parties.

1 83. Amendment or Modification. This Agreement may be amended or modified only
2 by a written instrument signed by the Parties, their counsel, or their successors-in-interest.

3 84. Authorization to Enter Into Agreement. Counsel for all Parties warrant and
4 represent they are expressly authorized by the Parties whom they represent to negotiate this
5 Agreement and to take all appropriate action required or permitted to be taken by such Parties
6 pursuant to this Agreement to effectuate its terms and to execute any other documents required
7 to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with
8 each other and use their best efforts to effect the implementation of the Settlement. If the Parties
9 are unable to reach agreement on the form or content of any document needed to implement the
10 Settlement, or on any supplemental provisions that may become necessary to effectuate the
11 terms of this Settlement, the Parties may seek the assistance of the Court to resolve such
12 disagreement.

13 85. Binding on Successors and Assigns. This Agreement shall be binding upon, and
14 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

15 86. California Law Governs. All terms of this Agreement and Exhibits hereto shall
16 be governed by and interpreted according to the laws of the State of California.

17 87. Execution and Counterparts. This Agreement is subject only to the execution of
18 all Parties. However, the Agreement may be executed in one or more counterparts, including
19 by electronic scan, .pdf, or DocuSign. All executed counterparts and each of them, including
20 facsimile and scanned or electronic copies of the signature page, shall be deemed to be one and
21 the same instrument provided that counsel for the Parties shall exchange among themselves
22 original signed counterparts.

23 88. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
24 this Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
25 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking
26 into account all relevant factors, present and potential. The Parties further acknowledge that
27 they are each represented by competent counsel and that they have had an opportunity to consult
28 with their counsel regarding the fairness and reasonableness of this Agreement.

1 89. Invalidity of Any Provision. Before declaring any provision of this Agreement
2 invalid, the Court shall first attempt to construe the provision as valid to the fullest extent
3 possible consistent with applicable precedents so as to define all provisions of this Agreement
4 valid and enforceable. Any invalid, illegal, or unenforceable provision determined by the Court
5 shall in no way affect any other provision if Defendant and Class Counsel, on behalf of the
6 Parties and the Class, mutually elect in writing to proceed as if such invalid, illegal, or
7 unenforceable provision had never been included in this Agreement.

8 90. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however,
9 that Plaintiffs or Class Counsel may appeal any reduction in the Class Counsel's Award below
10 the amount Class Counsel requests, and either party may appeal any order that materially alters
11 the Agreement's terms.

12 91. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
13 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
14 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies,
15 it has violated any federal, state, or local law; violated any regulations or guidelines promulgated
16 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached
17 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
18 engaged in any other unlawful conduct with respect to its employees. Neither this Agreement,
19 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
20 construed as an admission or concession by Defendant of any such violations or failures to
21 comply with any applicable law. Except as necessary in a proceeding to enforce the terms of
22 this Agreement, this Agreement and its terms and provisions shall not be offered or received as
23 evidence in any action or proceeding to establish any liability or admission on the part of
24 Defendant or to establish the existence of any condition constituting a violation of, or a non-
25 compliance with, federal, state, local or other applicable law.

26 92. Captions. The captions and section numbers in this Agreement are inserted for
27 the reader's convenience, and in no way define, limit, construe, or describe the scope or intent
28 of the provisions of this Agreement.

1 93. Waiver. No waiver of any condition or covenant contained in this Agreement or
2 failure to exercise a right or remedy by any of the Parties hereto shall be considered to imply or
3 constitute a further waiver by such party of the same or any other condition, covenant, right, or
4 remedy.

5 94. Enforcement Actions. Pursuant to California Code of Civil Procedure § 664.6,
6 the Court shall retain jurisdiction with respect to the interpretation, implementation, and
7 enforcement of the terms of this Agreement and all orders and judgments entered in connection
8 therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for
9 purposes of interpreting, implementing, and enforcing the settlement embodied in this
10 Agreement and all orders and judgments entered in connection therewith. In the event that one
11 or more of the Parties institutes any legal action or other proceeding against any other Party or
12 Parties to enforce the provisions of this Settlement, or to declare rights and/or obligations under
13 this Settlement, the prevailing Party or Parties shall be entitled to recover from the non-
14 prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness fees
15 incurred in connection with any enforcement actions.

16 95. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
17 and conditions of this Agreement. Accordingly, this Agreement shall not be construed more
18 strictly against one party than another merely by virtue of the fact that it may have been prepared
19 by counsel for one of the Parties, it being recognized that, because of the arm's-length
20 negotiations between the Parties, all Parties have contributed to the preparation of this
21 Agreement.

22 96. Representation by Counsel. The Parties acknowledge that they have been
23 represented by counsel throughout all negotiations that preceded the execution of this
24 Agreement, and that this Agreement has been executed with the consent and advice of counsel.
25 Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the
26 Agreement.

27 97. Cooperation and Execution of Necessary Documents. All Parties shall cooperate
28 in good faith and execute all documents to the extent reasonably necessary to effectuate the

1 terms of this Agreement.

2 98. Binding Agreement. The Parties warrant that they understand and have full
3 authority to enter into this Agreement, and further intend that this Agreement shall be fully
4 enforceable and binding on all Parties, and agree that it shall be admissible and subject to
5 disclosure in any proceeding to enforce its terms.

6 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
7 Joint Stipulation of Class Action Settlement Between Plaintiffs and Defendant as of the date(s)
8 set forth below:

9 **SIGNATURES**

10 **READ CAREFULLY BEFORE SIGNING**

11
12 DATED: February __, 2023

PLAINTIFF CECILIA ZAMUDIO

13 

14 ID fjTrYawMSyKQ8nRyRL5Mikj6

15 _____
Cecilia Zamudio

16
17 DATED: February __, 2023

PLAINTIFF ANGELICA MACIAS

18
19 _____
Angelica Macias

20
21 DATED: February __, 2023

**DEFENDANT CYPRESS HEALTHCARE
PARTNERS, LLC**

22
23 _____
24 _____
25 Please Print Name of Authorized Signatory

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1 terms of this Agreement.

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8 set forth below:

9 **SIGNATURES**

10 **READ CAREFULLY BEFORE SIGNING**

12 DATED: February __, 2023

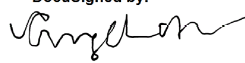
PLAINTIFF CECILIA ZAMUDIO

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14 _____
Cecilia Zamudio

16 02/03/2023

17 DATED: February __, 2023

PLAINTIFF ANGELICA MACIAS

18 DocuSigned by:

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20 _____
Angelica Macias

21 DATED: February __, 2023

**DEFENDANT CYPRESS HEALTHCARE
PARTNERS, LLC**

22
23 _____
24 _____
25 Please Print Name of Authorized Signatory

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2 98. Binding Agreement. The Parties warrant that they understand and have full
3 authority to enter into this Agreement, and further intend that this Agreement shall be fully
4 enforceable and binding on all Parties, and agree that it shall be admissible and subject to
5 disclosure in any proceeding to enforce its terms.

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7 Joint Stipulation of Class Action Settlement Between Plaintiffs and Defendant as of the date(s)
8 set forth below:

9 **SIGNATURES**

10 **READ CAREFULLY BEFORE SIGNING**

12 DATED: February __, 2023

PLAINTIFF CECILIA ZAMUDIO

14 _____
Cecilia Zamudio

17 DATED: February __, 2023

PLAINTIFF ANGELICA MACIAS

19 _____
Angelica Macias

21 DATED: February 6, 2023

**DEFENDANT CYPRESS HEALTHCARE
PARTNERS, LLC**

DocuSigned by:

Michael McMillan

7F9261615B6F4EB...

Michael K. McMillan, Principal

Please Print Name of Authorized Signatory

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APPROVED AS TO FORM

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DATED: February __, 2023

SETAREH LAW GROUP



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Chaim Shaun Setareh
Attorneys for Plaintiff Cecilia Zamudio

DATED: February __, 2023

FITZPATRICK & SWANSTON

B. James Fitzpatrick
Laura L. Franklin
Attorneys for Plaintiff Angelica Macias

DATED: February __, 2023

DIVERSITY LAW GROUP

Larry W. Lee
Max W. Gavron
Attorneys for Plaintiff Angelica Macias

DATED: February __, 2023

FENTON & KELLER

Elizabeth R. Leitzinger
Marco A. Lucido
Attorneys for Defendant Cypress Healthcare
Partners, LLC

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APPROVED AS TO FORM


DATED: February __, 2023

SETAREH LAW GROUP

Chaim Shaun Setareh
Attorneys for Plaintiff Cecilia Zamudio

DATED: February ³__, 2023


FITZPATRICK & SWANSTON



B. James Fitzpatrick
Laura L. Franklin
Attorneys for Plaintiff Angelica Macias

DATED: February 3, 2023

DIVERSITY LAW GROUP



Larry W. Lee
Max W. Gavron
Attorneys for Plaintiff Angelica Macias

DATED: February __, 2023

FENTON & KELLER

Elizabeth R. Leitzinger
Marco A. Lucido
Attorneys for Defendant Cypress Healthcare
Partners, LLC

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APPROVED AS TO FORM

DATED: February __, 2023

SETAREH LAW GROUP

Chaim Shaun Setareh
Attorneys for Plaintiff Cecilia Zamudio

DATED: February __, 2023

FITZPATRICK & SWANSTON

B. James Fitzpatrick
Laura L. Franklin
Attorneys for Plaintiff Angelica Macias


DATED: February __, 2023

DIVERSITY LAW GROUP

Larry W. Lee
Max W. Gavron
Attorneys for Plaintiff Angelica Macias

DATED: February 7, 2023

FENTON & KELLER



Elizabeth R. Leitzinger
Marco A. Lucido
Attorneys for Defendant Cypress Healthcare
Partners, LLC

EXHIBIT A

[CLASS MEMBER NAME]

Cecilia Zamudio v. Cypress Healthcare Partners, LLC

Angelica Macias v. Cypress Healthcare Partners, LLC

Superior Court of the State of California, County of Monterey
Case Nos.: 20CV003329; 21CV000056

If you are a current or former employee of Cypress Healthcare Partners, LLC (“Cypress Healthcare” or “Defendant”), a class action lawsuit may affect your rights and you may be entitled to benefits under the settlement.

You are not being sued. A court authorized this notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.

YOUR ESTIMATED TOTAL INDIVIDUAL SETTLEMENT PAYMENT AMOUNT FROM THIS CLASS ACTION SETTLEMENT IS \$ [REDACTED].

According to Cypress Healthcare’s records, the total number of workweeks that you worked as an employee in California between December 11, 2016, through and including May 31, 2022, is [REDACTED]. Based on this number, your Individual Settlement Payment Amount as a member of the Class is estimated to be \$[REDACTED].

- This lawsuit involves a class defined as: All current and former non-exempt employees employed by Cypress Healthcare in the State of California from December 11, 2016, through May 31, 2022.
- You are receiving this Notice because the records reflect that you may be a class member.
- In this lawsuit, Plaintiffs Cecilia Zamudio and Angelica Macias (“Plaintiffs”) allege that Defendant failed to provide proper meal and rest breaks, pay premiums for missed meal and rest breaks, pay overtime, vacation, and sick pay at the correct rate of pay, provide accurate itemized wage statements, reimburse work-related expenses, and timely pay all wages at the time owed and upon separation of employment, and that Defendant engaged in unfair business practices. Based on these allegations, Plaintiff’s sought unpaid wages and penalties. Cypress Healthcare denies Plaintiffs’ allegations. After the exchange of relevant information and evidence, the parties agreed to enter settlement negotiations in an attempt to resolve the claims in the case.
- There has been a settlement that affects your rights. Although the Court has authorized the

Parties to provide this notice of the proposed settlement, the Court has expressed no opinion on the merits of Plaintiffs’ claims or Cypress Healthcare’s defenses.

- You will not be penalized or retaliated against by Cypress Healthcare for participating in this settlement. If you are currently employed by Cypress Healthcare, this settlement will not affect your employment outside of the various issues described in this Notice. Current employees of Cypress Healthcare who choose to participate in the settlement will not be required to resign and can continue to work for Cypress Healthcare.
- You have several options available to you, which are explained in the chart below:

<p>DO NOTHING</p>	<p>By doing nothing, you <u>will</u> receive a share of the settlement proceeds. In exchange for the settlement proceeds, you will give up any rights to sue Cypress Healthcare separately for claims based on the facts pled in the operative Complaint, which are or could be the basis of claims that Cypress Healthcare failed to provide proper meal and rest breaks, pay overtime, vacation, and sick pay at the correct rate of pay, provide accurate itemized wage statements, reimburse work-related expenses, and timely pay all wages at the time owed and upon separation of employment. See Section 8 below for an explanation of the claims you are giving up.</p> <p>If you move, you must notify the Settlement Administrator of your new address.</p>
<p>ASK TO BE EXCLUDED (OPT OUT)</p>	<p>You can exclude yourself from this lawsuit. If you ask to be excluded, you will not receive a share of the class settlement proceeds, but you keep any rights you may have to bring your own separate suit against Cypress Healthcare for the same legal claims in this lawsuit that are released in this settlement.</p> <p>You cannot ask to be excluded <u>and</u> still get a settlement payment for the class claims. If you ask to be excluded from the settlement, you cannot object to the settlement.</p> <p>Even if you request to be excluded from the class settlement, you may not exclude yourself from the settlement of claims under the Private Attorneys’ General Act (“PAGA”) and will receive your portion of the PAGA Payment and give up your right to pursue the Released PAGA Claims.</p>

<p>OBJECT</p>	<p>If you do not agree with the settlement, you can object to the terms of this settlement. The Court may or may not agree with your objection. If you object to the settlement and the Court does not agree with your objection, you will still be bound by the terms of the settlement and will receive a settlement payment.</p> <p>Objecting to the settlement will not exclude you from the settlement.</p>
<p>ATTEND THE FINAL APPROVAL HEARING</p>	<p>You can ask to speak in Court about the fairness of the settlement at the Final Approval Hearing. The Court will hold a Final Approval Hearing to determine whether the settlement is fair, reasonable, and adequate on [DATE], 2023 at [TIME]. More information regarding this hearing is set forth in Section 10.</p>

**Your options are explained in this notice.
To opt out or object, you must act by XXXXX.**

1. Why did I get this notice?

A proposed settlement has been reached in a class action lawsuit that was brought on behalf of Cypress Healthcare’s non-exempt employees. You have received this notice because Cypress Healthcare’s records indicate that you are a member of the settlement class.

2. What is this lawsuit about?

Cecilia Zamudio filed her lawsuit on December 11, 2020, on behalf of individuals who are employed or have been employed by Cypress Healthcare as non-exempt employees in the State of California, during the Class Period. Ms. Zamudio amended her lawsuit on February 23, 2021. Angelica Macias filed her lawsuit on January 7, 2021. For purposes of settlement, the Court has consolidated the two cases that are included in the proposed settlement.

“Class Period” is defined as the period from December 11, 2016, through May 31, 2022. The operative complaints allege class and representative PAGA claims against Cypress Healthcare for (1) failing to provide proper off-duty meal breaks or pay premiums for such failure, (2) failing to provide proper off-duty rest breaks or pay premiums for such failure, (3) failing to pay overtime wages at the correct regular rate of pay, (4) failing to pay sick or vacation pay at the correct regular rate of pay, (5) failing to provide accurate itemized wage statements, (6) failing to reimburse work-related expenses, (7) failing to timely pay all wages at the time owed during employment and upon separation of employment, (8) engaging in unfair business practices, and (9) PAGA penalties, in violation of Labor Code sections 201-203, 204, 226, 226.7, 246, 510, 512, 1174, 1194, 1197, 2802, 2699.

3. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiffs' allegations or Cypress Healthcare's defenses.

4. Why did this case settle?

The Parties reached a settlement in order to avoid the risk, inconvenience, and expense of further litigation. Plaintiffs and their attorneys believe the proposed settlement is fair, adequate, and in the best interest of the class members to whom it applies given the outcome of their investigation, and the consumption of time and resources required in connection with further litigation. Although Cypress Healthcare disputes Plaintiffs' claims and asserts that it has complied with all of its legal obligations toward its employees, Defendant has also concluded that further litigation would be expensive and would divert management and employee time.

5. What are the terms of the settlement and how much will I receive?

The Gross Settlement Amount is \$1,615,000.00. Under the proposed settlement, the following amounts will be deducted before any payments are made to employees, subject to final approval by the Court:

- Attorneys' fees: \$583,333.33
- Litigation Costs: \$30,000.00
- Settlement Administration Costs to the Settlement Administrator: \$13,495.00
- Class Representative Enhancement Award to Class Representatives: \$20,000.00 (\$10,000 requested for each Plaintiff)
- Payment to the Labor and Workforce Development Agency ("LWDA") and Aggrieved Employees: \$100,000.00, representing its share of the settlement payment for the PAGA claims made in this lawsuit, pursuant to the California Labor Code section 2699.

After these deductions, and to the extent that the Court approves these amounts in full, approximately \$913,171.67 is estimated to be available for payment to the Class Members receiving this notice ("Net Settlement Amount"). These amounts may change and are subject to Court approval.

Each class member's Individual Settlement Payment shall be determined as follows:

- The Net Settlement Amount will be apportioned among Class Members on a pro rata basis, based on the number of workweeks worked by each respective Class Member during the Class Period.

All Individual Settlement Payments will be treated as follows: 10% as payment for wages (subject to withholding of employment taxes and to be reported on IRS Forms W-2, and 90% as penalties and interest (not subject to withholding of employment taxes and to be reported on IRS Forms 1099).

According to Cypress Healthcare's records, the total number of workweeks you worked during the

Class Period is [REDACTED].

If you disagree with the above information regarding your number of workweeks worked and would like someone to look into the matter, please follow the procedure below. Based on the above information, your estimated Individual Settlement Payment from the class settlement is [REDACTED].

[PAGA MEMBERS ONLY: In addition, you are also eligible to receive a payment under the PAGA, California Labor Code section 2698, *et seq.* Cypress Healthcare’s records indicate that you worked for Cypress Healthcare as a non-exempt employee from December 11, 2019, through May 31, 2022 (the “PAGA Period”). Individual payments under the PAGA will be paid to employees who worked during the PAGA Period on a pro rata basis, based on the number of pay periods each respective employee worked during the PAGA Period. Based on Cypress Healthcare’s records, it has been determined that you worked a total of _____ pay periods during the PAGA Period. Based on that, your individual share of the PAGA Payment is \$ [REDACTED].]

6. What if I disagree with information or the number of workweeks shown above?

If you believe the information in the notice is incorrect regarding the number of workweeks you worked, you can provide documentation or explanation to the Settlement Administrator to show contrary information. You can write a letter setting forth the number of workweeks that you believe you worked as a non-exempt employee in California during the Class Period that you believe are correct. You may attach any relevant documentation in support thereof. You must mail or fax your letter to:

[INSERT SETTLEMENT ADMINISTRATION INFORMATION]

You must submit such information by [REDACTED]. Class Counsel and the Settlement Administrator will work together in good faith and do their best to promptly resolve the dispute based on available records. The Settlement Administrator shall review all information, material and documents and make a decision regarding the dispute, subject to the final resolution by the Court if the Court decides to rule on the dispute. If the Court does not issue a ruling on the dispute, the Settlement Administrator’s determination of the number of workweeks you worked will be binding.

7. What do I have to do to receive a share of the settlement?

If you would like to receive an award under the terms of this settlement, **you do not have to do anything**. However, it is advisable to confirm your current mailing address with the Settlement Administrator in order to ensure you receive your settlement share. If you move, you must notify the Settlement Administrator of your new address. You will be covered by the release summarized in Section 8, below.

8. What rights am I giving up?

The class claims you will release by doing nothing and participating in the settlement are as follows:

All claims that were alleged in the operative complaints of the Action or and any claims that could have been alleged based on the facts as alleged in of the operative complaints of the Action.

This includes claims that accrued during the Class Period for (1) failing to provide proper off-duty meal breaks, (2) failing to provide proper off-duty rest breaks, (3) failing to pay premiums for non-compliant meal or rest breaks, (4) failing to pay overtime wages at the correct regular rate of pay, (5) failing to pay sick or vacation pay at the correct regular rate of pay, (6) failing to provide accurate itemized wage statements, (7) failing to reimburse work-related expenses, (8) failing to timely pay all wages at the time owed during employment and upon separation of employment, and (9) engaging in unfair business practices.

[PAGA MEMBERS ONLY: If you are an Aggrieved Employee, you are also giving up the right to sue for the Released PAGA Claims, which means all claims under the Private Attorneys General Act that were alleged in the operative complaints in the Action and any claims that could have been alleged based on the facts as alleged in the operative complaints in the Action.]

This includes claims under the PAGA premised on Defendant's alleged failure to: (1) provide proper off-duty meal breaks, (2) provide proper off-duty rest breaks, (3) pay premiums for non-compliant meal or rest breaks, (4) pay overtime wages at the correct regular rate of pay, (5) pay sick or vacation pay at the correct regular rate of pay, (6) provide accurate itemized wage statements, (7) reimburse work-related expenses, and (8) timely pay all wages at the time owed during employment and upon separation of employment.]

You will be releasing these claims against Cypress Healthcare Partners, LLC, as well as Salinas Valley Memorial Healthcare System, Salinas Valley Memorial Hospital Foundation, Salinas Valley Memorial Hospital, Salinas Valley Medical Clinics, and all of their past and present affiliated entities, parents, subsidiaries, owners, officers, shareholders, executives, managers, and employees.

9. What if I do not wish to be involved?

Anyone not wishing to participate in the settlement may exclude himself or herself ("opt out") by completing, signing, and mailing/faxing a letter indicating that they do not want to participate in the settlement to the Settlement Administrator, [insert name of administrator], at the following address by XXXX.

[INSERT SETTLEMENT ADMINISTRATION INFORMATION]

Your letter must include (1) your name, address, and telephone number; (2) a statement indicating that you wish to be excluded from the settlement; and (3) your signature. Your letter must be postmarked or fax stamped on or before XXX.

If your Request for Exclusion is postmarked or fax stamped after XXX, it will be rejected as untimely, and you will be a Settlement Class Member and be bound by the settlement terms and release. Anyone who submits a timely and valid Request for Exclusion shall not be deemed a

Settlement Class Member and will not receive any payment as part of this settlement. Such individuals will keep any right to sue Cypress Healthcare separately about the claims made in this lawsuit, with the exception of the Released PAGA Claims, which will be released upon court approval of the Settlement.

10. What if I have an objection?

A class member may object to the settlement in writing or in person. Written objections and all supporting briefs or other materials must be submitted to the Settlement Administrator by mail or fax no later than **XXXX**. The Court will decide on the objections at the Final Approval Hearing. If your objection is overruled at the Final Approval Hearing, you will still be bound by the terms of this settlement and will receive a settlement payment.

For written objections to be valid, it must contain (1) your name, address, and phone number; (2) the written basis of your objection, and (3) your signature. You may include copies of any papers, briefs, or documents upon which the objection is based. The written objection must be post marked or fax stamped on or before **XXX**. The postmark or fax stamp date shall be the exclusive means for determining that a written objection is timely and valid.

Any class member may nevertheless appear and make an objection at the Final Approval Hearing. The class member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to present his or her objection directly to the Court. Any attorney who will represent an individual objecting to this Settlement who has not filed a written objection must file a notice of appearance with the Court and serve Class Counsel and Defense Counsel no later than **XXXX**. The Final Approval Hearing will be held in Dept. 15 of the Monterey County Superior Court, Monterey Courthouse, located at 1200 Aguajito Road, Monterey, California 93940 on **XXXX**, 2023, at **XXX** (Pacific Time).

11. Do I need a lawyer? Who are the lawyers in this case?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, if you want your own lawyer, you are free to hire one at your own expense.

The below are Class Counsel:

B. James Fitzpatrick (State Bar No. 129056)
Laura L. Franklin (State Bar No. 282642)
FITZPATRICK & SWANSTON
555 S. Main Street
Salinas, CA 93901
(831) 755-1311
(831) 755-1319 facsimile

Larry W. Lee (State Bar No. 228175)
Max W. Gavron (State Bar No. 291697)
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Shaun Setareh (State Bar No. 204514)
David Keledjian (State Bar No. 309135)
SETAREH LAW GROUP
9665 Wilshire Blvd., Suite 460

Beverly Hills, CA 90212
(310) 888-7771
(310) 888-0109 facsimile

12. What happens next in the case?

The Settlement has only been preliminarily approved. The Court will hold a hearing in Dept. 15 of the Monterey County Superior Court, Monterey Courthouse, located at 1200 Aguajito Road, Monterey, California 93940 at _____, 2023, at XXX (Pacific Time), to determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, Plaintiffs' enhancement award, and the costs of settlement administration. At the Final Approval Hearing, the Court will hear all objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, **but you are not required to do so**. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself. The hearing may be continued without further notice to you. It is not necessary for you to appear at this hearing.

13. How can I receive more information?

This Notice is a summary of the basic terms of the settlement. For further information, you may telephone [INSERT SETTLEMENT ADMINISTRATION INFORMATION], or Class Counsel (listed above). You may also review the settlement agreement, which is on file with the Clerk of the Monterey Superior Court, 1200 Aguajito Road, Monterey, California 93940.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO PLAINTIFF'S ATTORNEYS: B. James Fitzpatrick and Laura L. Franklin of Fitzpatrick & Swanston, 555 S. Main Street, Salinas, CA 93901, Phone: (831) 755-1311; Larry W. Lee and Max W. Gavron of Diversity Law Group, P.C., 515 S. Figueroa Street, Suite 1250, Los Angeles, CA 90071, Phone: (213) 488-6555; and Shaun Setareh and David Keledjian of Setareh Law Group, 9665 Wilshire Blvd., Suite 460, Beverly Hills, CA 90212, Phone: (310) 888-7771.

Please do not telephone the Court, the Office of the Clerk, or Cypress Healthcare's counsel for information regarding this settlement.